

Mason County Finance Committee  
411 North 5<sup>th</sup> Street, Shelton, WA  
October 17, 2018 - 8:30 a.m.

Lisa Frazier distributed and briefly reviewed the July – September finance report. Current expense balance as of September 30, 2018 was \$5,695,346.

**Old Business:**

Cash Handling Policy and Procedures 2<sup>nd</sup> draft was sent to the Audit Committee for Review at their next scheduled meeting on 10/18/2018

**New Business:**

Frank Pinter presented a proposed Real Estate Purchase for two pieces of property owned by Olson Business Properties, LLC.

Lisa Frazier asked how the county arrived at 4.5% interest rate. Pinter explained it was a negotiated rate that was a compromise between low-end and high-end interest rates.

Frazier asked about closing cost. Pinter stated closing cost would be approximately \$50,000 - \$60,000 & would be paid out of the REET 1 fund.

Pinter stated that the county would be meeting with the City to discuss the challenges of repurposing the buildings they proposed to purchase. Randy Neatherlin would prefer to have a discussion with the City prior to the county making a decision on the proposed property.

Frazier asked who would be responsible for submitting vouchers, etc. for this purchase. Frank designated the Budget Manager.

Frazier stated she would prefer both pieces of property be bought with one loan – not separately.

Frazier noted that she did not see anything out of the ordinary with the proposed purchase, documentation, sale price and loan.

Comm Neatherlin / Auditor Herr moved and seconded to move this proposed purchase forward for further review and discussion by the County Commissioners. Motion carried.

Meeting adjourned at 8:53 a.m.

Minutes submitted by Karen Herr, Secretary of Finance Committee

**CBM**

129 N 3rd St 104508

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**COMMERCIAL & INVESTMENT REAL ESTATE  
PURCHASE & SALE AGREEMENT  
(CONTINUED)**

and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur any out-of-pocket expenses or liability in doing so. Seller shall transfer the Vendor Contracts as provided in Section 17.

b. **Access.** Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

c. Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.08. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.

**6. TITLE INSURANCE.**

a. **Title Report.** Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a ☒ standard ☐ extended (standard, if not completed) coverage owner's policy of title insurance. Buyer shall pay the increased costs associated with an extended policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by Mason County Title (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. **Permitted Exceptions.** Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to

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BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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9. **POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS.** After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.
10. **OPERATIONS PRIOR TO CLOSING.** Prior to Closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Period, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.
11. **POSSESSION.** Buyer shall be entitled to possession ☒ on closing ☐ \_\_\_\_\_ (on closing, if not completed). Buyer shall accept possession subject to all tenancies disclosed to Buyer during the Feasibility Period.
12. **SELLER'S REPRESENTATIONS.** Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the feasibility contingency stated in Section 5 above, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property; (c) Seller has not received any written notices that the Property or the business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 8 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer in writing during the Feasibility Period; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or

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 BUYER \_\_\_\_\_ DATE 09/13/2018 SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT  
AND LEAD-BASED PAINT HAZARDS**

The Following is part of the ☒ Purchase & Sale Agreement ☐ the Lease/Rental Agreement dated  
September 27, 2018 between  
Mason County ("Buyer" or "Lessee")  
 and Olsen Business Properties, LLC ("Seller" or "Lessor")  
 concerning: 129 N 3rd St, Shelton, WA 98584 ("the Property").

**Lead Warning Statement Purchase and Sale Agreements**

Every purchase of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Lead Warning Statement Lease/Rental Agreements**

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

**Seller's/Lessor's Disclosure. Seller/Lessor makes the following disclosures:**

- (a) Presence of lead-based paint or lead-based paint hazards (check one below):
- ☐ Seller/Lessor knows the following lead-based paint and/or lead-based paint hazards are present in the housing. \_\_\_\_\_
- ☒ Seller/Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the Seller/Lessor (check one below):
- ☐ Seller/Lessor has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing, as follows: \_\_\_\_\_
- ☒ Seller/Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

INITIALS: Buyer/Lessee \_\_\_\_\_, Date \_\_\_\_\_  
 Buyer/Lessee \_\_\_\_\_, Date \_\_\_\_\_

Seller/Lessor CP, Date 9-27-18  
 Seller/Lessor \_\_\_\_\_, Date \_\_\_\_\_

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**FINANCING ADDENDUM**  
(CONTINUED)

5. **ADDITIONAL PROVISIONS.** The terms of the Agreement remain unchanged except as supplemented in this Addendum or provided below:

Lined area for additional provisions.

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER QJN DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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## FINANCING ADDENDUM

The following is part of the Purchase and Sale Agreement dated September 27, 2018 the "Agreement", between Mason County ("Buyer"), and Olsen Business Properties, LLC ("Seller"), regarding the sale of the Property known as: 129 N 3rd St, Shelton, WA 98584 (the "Property").

## IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS

- ☐ 1. **NEW FINANCING.** Buyer's obligations under the Agreement are contingent on Buyer obtaining new financing. Buyer shall submit a complete written application for financing for the Property within five (5) business days after waiver or satisfaction of the Feasibility Period in Section 5 of the Agreement, pay required costs and make a good faith effort to procure such financing. Buyer shall not reject those terms of a commitment which provide for a loan amount of at least \$\_\_\_\_\_ or \_\_\_\_\_% of the purchase price, interest not to exceed \_\_\_\_\_% per annum, a payment schedule calling for monthly payments amortized over not less than \_\_\_\_\_ years, and total placement fees and points of not more than \_\_\_\_\_% of the loan amount. The Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives notice that this condition is satisfied or waived on or before \_\_\_\_\_ days (60 days, if not completed) following mutual acceptance of the Agreement.
- ☐ 2. **Assumption of Existing Financing.**
- a. **Approval of Documents.** Buyer's obligations under the Agreement are contingent on Buyer's assumption of a note and mortgage or deed of trust, or a real estate contract. Seller shall deliver to Buyer within five (5) days after mutual acceptance of the Agreement a copy of all documents relating to the obligations that Buyer will assume, including the note, deed of trust, mortgage or real estate contract (or any other underlying debt instruments); any guaranties, non-recourse carve-outs, or indemnity agreements; and any fixture filings or financing statements (the "Underlying Loan Documents"). Buyer shall be deemed to have approved the Underlying Loan Documents unless Buyer gives notice of disapproval during the Feasibility Period.
- b. **Consent to Assumption.** Buyer shall submit a complete application for assumption of the Underlying Loan Documents together with any required application fee no later than five (5) days after the end of the Feasibility Period. Upon Buyer's request, Seller shall assist Buyer by requesting the lender's consent to the assumption on Buyer's behalf. Buyer's principals shall be required to execute any reasonable guaranties and indemnities required by the lender. Unless Buyer has obtained consent or waived this condition within \_\_\_\_\_ days (30 days, if not completed) after the end of the Feasibility Period and provided Buyer has timely complied with its obligations under this Addendum, this Agreement shall terminate and, Buyer shall receive a refund of the earnest money.
- c. **Assumption Fees and Expenses.** Buyer shall pay all costs and expenses attributable to the assumption of the underlying indebtedness including all application fees, processing charges, and assumption fees.
- d. **Release of Seller and Principals.** Seller's obligations under the Agreement ☐ shall be ☐ shall not be (shall not be, if not completed) conditioned upon Seller and all guarantors or indemnitors being released from their obligations arising under the Underlying Loan Documents for the period on and after Closing.

INITIALS: BUYER \_\_\_\_\_, ATE \_\_\_\_\_, SELLER CPI, DATE 9-27-18  
BUYER \_\_\_\_\_, DATE \_\_\_\_\_, SELLER \_\_\_\_\_, DATE \_\_\_\_\_



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PURCHASE & SALE AGREEMENT  
(CONTINUED)EXHIBIT A\*  
[Legal Description]

A tract of land in Block one; (1) of Lumbermen's Addition to Shelton, Mason County, Washington, Volume  
4 of Plats, pages 86 and 87; more particularly described as follows:

The Easterly one hundred twenty (120) feet of the Northerly one hundred (100) feet of Block one (1) of  
said Lumbermen's Addition to Shelton, Mason County, Washington.

Parcel No. 32019 65 01900

\* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement void and unenforceable.

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BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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PURCHASE & SALE AGREEMENT****28. IDENTIFICATION OF THE PARTIES.** The following is the contact information for the parties involved in this Agreement:**Buyer**Contact: Mason County411 N 5thAddress: Shelton, WA 98584Business Phone: (360)427-9870

Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**Seller**

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**Selling Firm**Name: Richard Beckman Realty Group, LLC

Assumed Name (if applicable): \_\_\_\_\_

Selling Broker: Richard BeckmanAddress: 117 N 8thShelton, WA 98584Business Phone: (360)426-5521Mobile Phone: (360)790-1921Email: richard@richardbeckman.comFax: (360)426-1645

CBA Office No.: \_\_\_\_\_

**Listing Firm**

Name: \_\_\_\_\_

Assumed Name (if applicable): \_\_\_\_\_

Listing Broker: \_\_\_\_\_

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

CBA Office No.: \_\_\_\_\_

**Licensed Office of Selling Broker**

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

CBA Office No.: \_\_\_\_\_

**Licensed Office of Listing Broker**

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

CBA Office No.: \_\_\_\_\_

**Courtesy Copy of Notices to Buyer to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**Courtesy Copy of Notices to Seller to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

INITIALS: BUYER \_\_\_\_\_

DATE \_\_\_\_\_

BUYER \_\_\_\_\_

DATE \_\_\_\_\_

SELLER \_\_\_\_\_

DATE \_\_\_\_\_

SELLER \_\_\_\_\_

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### COMMERCIAL & INVESTMENT REAL ESTATE PURCHASE & SALE AGREEMENT (CONTINUED)

Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

#### 22. MISCELLANEOUS PROVISIONS.

a. **Complete Agreement.** This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement.

b. **Counterpart Signatures.** This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.

c. **Electronic Delivery.** Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents.

d. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding Section 20 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

23. **ACCEPTANCE; COUNTEROFFERS.** Seller has until midnight of Oct. 4, 2018 (if not filled in, the third business day) following the day Buyer delivers the offer to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse and the earnest money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the 2 business day (if not filled in, the second business day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the earnest money shall be refunded to the Buyer. No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Broker or the licensed office of the Selling Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to and shall be effective when received by that party.

24. **INFORMATION TRANSFER.** In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

INITIALS: BUYER \_\_\_\_\_ ATE \_\_\_\_\_ SELLER [Signature] DATE 9-27-18  
BUYER \_\_\_\_\_ ATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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15. **CONDEMNATION AND CASUALTY.** Seller bears all risk of loss until Closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.
16. **FIRPTA - TAX WITHHOLDING AT CLOSING.** Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
17. **CONVEYANCE.** Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) and all intangible property transferred pursuant to Section 14(b).
18. **NOTICES AND COMPUTATION OF TIME.** Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Seller shall be deemed delivered only when received by Seller, Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Selling Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Broker, or the licensed office of Selling Broker. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 28.

Unless otherwise specified in this Agreement, any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day.

INITIALS: BUYER \_\_\_\_\_ } DATE \_\_\_\_\_ SELLER CJO DATE 9-27-18  
 BUYER \_\_\_\_\_ } DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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CBA Form PS\_1A  
Purchase & Sale Agreement  
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### COMMERCIAL & INVESTMENT REAL ESTATE PURCHASE & SALE AGREEMENT

*This has been prepared for submission to your attorney for review and approval prior to signing. No representation is made by licensee as to its sufficiency or tax consequences.*

Reference Date: September 27, 2018**Mason County**

("Buyer") agrees to buy and

Olsen Business Properties, LLC

("Seller") agrees to sell, on the following terms, the commercial real estate and all improvements thereon (collectively, the "Property") commonly known as 414 W Franklin in the City of Shelton Mason County, Washington, 98584

legally described on attached Exhibit A. The Reference Date above is intended to be used to reference this Agreement, and is not the date of "Mutual Acceptance." Mutual Acceptance is defined in Section 23 below.

1. **PURCHASE PRICE.** The total purchase price is Eight Hundred Seventy Five Thousand Dollars ( \$875,000.00 ) payable as follows (check only one):

- ☐ All cash at closing with no financing contingency.
- ☐ All cash at closing contingent on new financing in accordance with the Financing Addendum (attach CBA Form PS\_FIN).

☒ \$ 25,000 OR 25,000 % of the purchase price in cash at closing with the balance of the purchase price paid as follows (check one or both, as applicable): ☐ Buyer's assumption of the outstanding principal balance as of the Closing Date of a first lien note and deed of trust (or mortgage), or real estate contract, in accordance with the Financing Addendum (attach CBA Form PS\_FIN); ☒ Buyer's delivery at closing of a promissory note for the balance of the purchase price, secured by a deed of trust encumbering the Property, in accordance with the Financing Addendum (attach CBA Form PS\_FIN).

☐ Other: \_\_\_\_\_

2. **EARNEST MONEY.** The earnest money in the amount of \$1,000.00 shall be in the form of ☐ Cash ☐ Personal check ☒ Promissory note (attached CBA Form EMN) ☐ Other: \_\_\_\_\_

The earnest money shall be held by ☐ Selling Firm ☒ Closing Agent. Selling Broker may, however, transfer the earnest money to Closing Agent.

Buyer shall deliver the earnest money no later than:

- ☐ \_\_\_\_\_ days after Mutual Acceptance.
- ☐ On the last day of the Feasibility Period defined in Section 5 below.
- ☒ Other: 3 days after the buyer waives the feasibility study.

If the earnest money is to be held by Selling Firm and is over \$10,000, it shall be deposited to: ☐ Selling Firm's pooled trust account (with interest paid to the State Treasurer) ☐ A separate interest bearing trust account in Selling Firm's name. The interest, if any, shall be credited at closing to Buyer. If this sale falls to close, whoever is entitled to the earnest money is entitled to interest.

Selling Firm shall deposit any check to be held by Selling Firm within 3 days after receipt or Mutual Acceptance, whichever occurs later. Buyer agrees to pay financing and purchase costs incurred by Buyer. Unless otherwise provided in this Agreement, the earnest money shall be applicable to the purchase price.

3. **EXHIBITS AND ADDENDA.** The following Exhibits and Addenda are made a part of this Agreement:

- ☒ Exhibit A - Legal Description
- ☒ Earnest Money Promissory Note, CBA Form EMN

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER CJO DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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**COMMERCIAL & INVESTMENT REAL ESTATE  
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and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur any out-of-pocket expenses or liability in doing so. Seller shall transfer the Vendor Contracts as provided in Section 17.

b. **Access.** Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

c. Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.06. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.

**6. TITLE INSURANCE.**

a. **Title Report.** Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a ☒ standard ☐ extended (standard, if not completed) coverage owner's policy of title insurance. Buyer shall pay the increased costs associated with an extended policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by Mason County Title (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. **Permitted Exceptions.** Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_

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**COMMERCIAL & INVESTMENT REAL ESTATE  
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9. **POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS.** After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.
10. **OPERATIONS PRIOR TO CLOSING.** Prior to Closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Period, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.
11. **POSSESSION.** Buyer shall be entitled to possession ☒ on closing ☐ \_\_\_\_\_ (on closing, if not completed). Buyer shall accept possession subject to all tenancies disclosed to Buyer during the Feasibility Period.
12. **SELLER'S REPRESENTATIONS.** Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the feasibility contingency stated in Section 5 above, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property; (c) Seller has not received any written notices that the Property or the business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 8 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer in writing during the Feasibility Period; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER CLD DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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**COMMERCIAL & INVESTMENT REAL ESTATE  
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- 15. CONDEMNATION AND CASUALTY.** Seller bears all risk of loss until Closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.
- 16. FIRPTA - TAX WITHHOLDING AT CLOSING.** Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
- 17. CONVEYANCE.** Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) and all intangible property transferred pursuant to Section 14(b).
- 18. NOTICES AND COMPUTATION OF TIME.** Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Seller shall be deemed delivered only when received by Seller, Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Selling Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Broker, or the licensed office of Selling Broker. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 28.
- Unless otherwise specified in this Agreement, any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day.

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_

BUYER \_\_\_\_\_ DATE \_\_\_\_\_

SELLER *CP* DATE *9-27-18*

SELLER \_\_\_\_\_ DATE \_\_\_\_\_



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Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

## 22. MISCELLANEOUS PROVISIONS.

- a. **Complete Agreement.** This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement.
- b. **Counterpart Signatures.** This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.
- c. **Electronic Delivery.** Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents.
- d. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding Section 20 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

23. **ACCEPTANCE; COUNTEROFFERS.** Seller has until midnight of Oct. 4, 2018 (if not filled in, the third business day) following the day Buyer delivers the offer to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse and the earnest money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the 2 business day (if not filled in, the second business day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the earnest money shall be refunded to the Buyer. No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Broker or the licensed office of the Selling Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to and shall be effective when received by that party.

24. **INFORMATION TRANSFER.** In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

INITIALS: BUYER \_\_\_\_\_ ATE \_\_\_\_\_ SELLER YD DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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28. IDENTIFICATION OF THE PARTIES. The following is the contact information for the parties involved in this Agreement:

**Buyer**Contact: Mason County  
411 N 5th  
Address: Shelton, WA 98584  
Business Phone: (360)427-9670  
Mobile Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_**Seller**Contact: Carolyn Olsen  
Address: 2280 E Spencer Lake Rd  
Shelton, WA, 98584  
Business Phone: \_\_\_\_\_  
Mobile Phone: (360)790-6611  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_**Selling Firm**Name: Richard Beckman Realty Group, LLC  
Assumed Name (if applicable): \_\_\_\_\_  
Selling Broker: Richard Beckman  
Address: 117 N 8th  
Shelton, WA 98584  
Business Phone: (360)426-5521  
Mobile Phone: (360)790-1921  
Email: richard@richardbeckman.com  
Fax: (360)426-1645  
CBA Office No.: \_\_\_\_\_**Listing Firm**Name: \_\_\_\_\_  
Assumed Name (if applicable): \_\_\_\_\_  
Listing Broker: \_\_\_\_\_  
Address: \_\_\_\_\_  
Business Phone: \_\_\_\_\_  
Mobile Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_  
CBA Office No.: \_\_\_\_\_**Licensed Office of Selling Broker**Address: \_\_\_\_\_  
Business Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
CBA Office No.: \_\_\_\_\_**Licensed Office of Listing Broker**Address: \_\_\_\_\_  
Business Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
CBA Office No.: \_\_\_\_\_**Courtesy Copy of Notices to Buyer to:**Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Business Phone: \_\_\_\_\_  
Mobile Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_**Courtesy Copy of Notices to Seller to:**Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Business Phone: \_\_\_\_\_  
Mobile Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_

BUYER \_\_\_\_\_ DATE \_\_\_\_\_

SELLER CJO DATE 9-27-18

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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(CONTINUED)EXHIBIT A\*  
[Legal Description]

LOTS 1 THROUGH 8, BLOCK H OF DAVID SHELTON'S FIRST ADDITION TO SHELTON AS RECORDED IN  
VOLUME 1 OF PLATS, PAGE 2; TOGETHER WITH THE VACATED ALLEY WHICH UPON VACATION  
ATTACHED THERETO BY OPERATION OF LAW. Parcel # 3201951-08001

\* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement void and unenforceable.

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER CF DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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Financing Addendum  
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## FINANCING ADDENDUM

The following is part of the Purchase and Sale Agreement dated September 27, 2018 (the "Agreement"), between Mason County ("Buyer"), and Olsen Business Properties, LLC ("Seller"), regarding the sale of the Property known as: 414 W Franklin, Shelton, WA 98584 (the "Property").

## IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS

- ☐ 1. **NEW FINANCING.** Buyer's obligations under the Agreement are contingent on Buyer obtaining new financing. Buyer shall submit a complete written application for financing for the Property within five (5) business days after waiver or satisfaction of the Feasibility Period in Section 5 of the Agreement, pay required costs and make a good faith effort to procure such financing. Buyer shall not reject those terms of a commitment which provide for a loan amount of at least \$ \_\_\_\_\_ or \_\_\_\_\_ % of the purchase price, interest not to exceed \_\_\_\_\_ % per annum, a payment schedule calling for monthly payments amortized over not less than \_\_\_\_\_ years, and total placement fees and points of not more than \_\_\_\_\_ % of the loan amount. The Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives notice that this condition is satisfied or waived on or before \_\_\_\_\_ days (60 days, if not completed) following mutual acceptance of the Agreement.
- ☐ 2. **Assumption of Existing Financing.**
- a. **Approval of Documents.** Buyer's obligations under the Agreement are contingent on Buyer's assumption of a note and mortgage or deed of trust, or a real estate contract. Seller shall deliver to Buyer within five (5) days after mutual acceptance of the Agreement a copy of all documents relating to the obligations that Buyer will assume, including the note, deed of trust, mortgage or real estate contract (or any other underlying debt instruments); any guarantees, non-recourse carve-outs, or indemnity agreements; and any fixture filings or financing statements (the "Underlying Loan Documents"). Buyer shall be deemed to have approved the Underlying Loan Documents unless Buyer gives notice of disapproval during the Feasibility Period.
- b. **Consent to Assumption.** Buyer shall submit a complete application for assumption of the Underlying Loan Documents together with any required application fee no later than five (5) days after the end of the Feasibility Period. Upon Buyer's request, Seller shall assist Buyer by requesting the lender's consent to the assumption on Buyer's behalf. Buyer's principals shall be required to execute any reasonable guarantees and indemnities required by the lender. Unless Buyer has obtained consent or waived this condition within \_\_\_\_\_ days (30 days, if not completed) after the end of the Feasibility Period and provided Buyer has timely complied with its obligations under this Addendum, this Agreement shall terminate and, Buyer shall receive a refund of the earnest money.
- c. **Assumption Fees and Expenses.** Buyer shall pay all costs and expenses attributable to the assumption of the underlying indebtedness including all application fees, processing charges, and assumption fees.
- d. **Release of Seller and Principals.** Seller's obligations under the Agreement ☐ shall be ☐ shall not be (shall not be, if not completed) conditioned upon Seller and all guarantors or indemnitors being released from their obligations arising under the Underlying Loan Documents for the period on and after Closing.

INITIALS: BUYER \_\_\_\_\_ JATE \_\_\_\_\_ SELLER go DATE 9-27-18  
BUYER \_\_\_\_\_ ATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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**FINANCING ADDENDUM**  
(CONTINUED)

5. **ADDITIONAL PROVISIONS.** The terms of the Agreement remain unchanged except as supplemented in this Addendum or provided below:

Lined area for additional provisions.

INITIALS: BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER cp DATE 9-27-18  
BUYER \_\_\_\_\_ DATE \_\_\_\_\_ SELLER \_\_\_\_\_ DATE \_\_\_\_\_

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**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT  
AND LEAD-BASED PAINT HAZARDS**The Following is part of the ☒ Purchase & Sale Agreement ☐ the Lease/Rental Agreement dated  
September 27, 2018 betweenMason County ("Buyer" or "Lessee")  
and Olsen Business Properties, LLC ("Seller" or "Lessor")  
concerning: 414 W Franklin, Shelton, WA 98584 ("the Property").**Lead Warning StatementPurchase and Sale Agreements**

Every purchase of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Lead Warning StatementLease/Rental Agreements**

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

**Seller's/Lessor's Disclosure. Seller/Lessor makes the following disclosures:****(a) Presence of lead-based paint or lead-based paint hazards (check one below):**☐ Seller/Lessor knows the following lead-based paint and/or lead-based paint hazards are present in the housing. \_\_\_\_\_☒ Seller/Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.**(b) Records and reports available to the Seller/Lessor (check one below):**☐ Seller/Lessor has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing, as follows: \_\_\_\_\_☒ Seller/Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

INITIALS: Buyer/Lessee \_\_\_\_\_ at \_\_\_\_\_

Buyer/Lessee \_\_\_\_\_ Date \_\_\_\_\_

Seller/Lessor gjo Date 9-27-18

Seller/Lessor \_\_\_\_\_ Date \_\_\_\_\_

875,000  
200,000  
1075,000  
- 268,750 DP

## Amortization Calc

\$ 806260 Term 5 year ☒ % 4.5 Dec ☒ 2018 ☒ Calculate

## Loan Summary

**\$15,031** **\$901,856**  
Monthly Payment Total of 60 Payments  
**\$95,606** **Nov, 2023**  
Total Interest Paid Pay-off Date

## Loan Amortization Schedule

Date	Interest	Principal	Balance
Dec, 2018	\$3,023	\$12,007	\$794,243
2018	\$3,023	\$12,007	\$794,243
Jan, 2019	\$2,978	\$12,053	\$782,190
Feb, 2019	\$2,933	\$12,098	\$770,092
Mar, 2019	\$2,888	\$12,143	\$757,949
Apr, 2019	\$2,842	\$12,189	\$745,761
May, 2019	\$2,797	\$12,234	\$733,526
Jun, 2019	\$2,751	\$12,280	\$721,246
Jul, 2019	\$2,705	\$12,326	\$708,920
Aug, 2019	\$2,658	\$12,372	\$696,547
Sep, 2019	\$2,612	\$12,419	\$684,128
Oct, 2019	\$2,565	\$12,465	\$671,663
Nov, 2019	\$2,519	\$12,512	\$659,151
Dec, 2019	\$2,472	\$12,559	\$646,592
2019	\$32,720	\$147,651	\$646,592
Jan, 2020	\$2,425	\$12,606	\$633,985
Feb, 2020	\$2,377	\$12,653	\$621,332
Mar, 2020	\$2,330	\$12,701	\$608,631
Apr, 2020	\$2,282	\$12,749	\$595,882
May, 2020	\$2,235	\$12,796	\$583,086
Jun, 2020	\$2,187	\$12,844	\$570,242
Jul, 2020	\$2,138	\$12,893	\$557,349
Aug, 2020	\$2,090	\$12,941	\$544,408
Sep, 2020	\$2,042	\$12,989	\$531,419
Oct, 2020	\$1,993	\$13,038	\$518,381
Nov, 2020	\$1,944	\$13,087	\$505,294
Dec, 2020	\$1,895	\$13,136	\$492,158
2020	\$25,937	\$154,434	\$492,158
Jan, 2021	\$1,846	\$13,185	\$478,972
Feb, 2021	\$1,796	\$13,235	\$465,738
Mar, 2021	\$1,747	\$13,284	\$452,453
Apr, 2021	\$1,697	\$13,334	\$439,119
May, 2021	\$1,647	\$13,384	\$425,735
Jun, 2021	\$1,597	\$13,434	\$412,300
Jul, 2021	\$1,546	\$13,485	\$398,815
Aug, 2021	\$1,496	\$13,535	\$385,280
Sep, 2021	\$1,445	\$13,586	\$371,694
Oct, 2021	\$1,394	\$13,637	\$358,057
Nov, 2021	\$1,343	\$13,688	\$344,369
Dec, 2021	\$1,291	\$13,740	\$330,629